

Message Text

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USDOC FOR MAJOR PROJECTS

E.O. 11652: N/A
TAGS: BENC, HO
SUBJ: MAJOR PROJECT: EL CAJON HYDROELECTRIC

REF: STATE 200367

1. AT RECENT MEETINGS WITH PROSPECTIVE BI-LATERAL AND MULTILATERAL LENDER AND IN OTHER FORA GOH OFFICIALS HAVE AGAIN STRESSED THE IMPORTANCE TO HONDURAS' OVERALL DEVELOPMENT OF PROCEEDING WITH EARLY CONSTRUCTION OF THIS LARGE (\$385 MILLION 300 MW - INITIAL) HYDRO-ELECTRIC PROJECT ON THE HUMUYA RIVER. IF HONDURAS' PRESENT PLANS FOR COMPLETION OF THE PROJECT IN MID 1984 MATERIALIZE, BIDDING FOR CIVIL WORKS CONTRACTS COULD BEGIN IN 1978. A MORE REALISTIC ESTIMATE OF THE TIMETABLE IS COMPLETION IN MID-1985, WHICH WOULD IMPLY AWARD OF A CIVIL WORKS CONTRACT BY LATE 1979. THE GOH HAS GIVEN THIS PROJECT HIGHEST PRIORITY AND HAS PROCEEDED WITH CONSTRUCTION OF AN ACCESS ROAD TO THE DAM SITE.

2. FOLLOWING ARE DATA RESPONSIVE TO POINTS RAISED IN REFTEL.

A. FINANCING. ARRANGEMENTS FOR FUNDING THE PROJECT HAVE ADVANCED CONSIDERABLY SINCE OUR LAST REPORT. PRELIMINARY COMMITMENTS AND PLANNING FIGURES CITED BY VARIOUS SOURCES ARE AS FOLLOWS: FOR PRIN-
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CIPAL CIVIL WORKS: (IN MILLIONS OF US DOLLARS) IBRD/IDA 90;
IDB 75; CABEI 21.5; GOH 102 (OF WHICH 55 VENEZUELA INVESTMENT
FUND); OPEC 3.5. FOR ENGINEERING SERVICES AND EQUIPMENT FROM
BI-LATERAL SOURCES: (IN MILLIONS OF US DOLLARS) UK 30 (TURBINES,
GENERABCS); CIDA 20 TO 25 (TRANSMISSION); JAPAN 25; GERMANY PEND-
ING. IDB AND IBRD SURVEY TEAMS ARE SCHEDULED TO VISIT HONDURAS IN
SEPTEMBER AND OCTOBER 1978 IN PREPARATION FOR FINAL PROPOSALS TO

THEIR BOARDS BY END 1978 AND EARLY 1979, RESPECTIVELY.

B. POWER SALES TO NEIGHBORS. THE HONDURAN (ENEE) AND NICARAGUAN (ENALUZ) POWER AUTHOPUTIES ESTABLISHED IN 1977 AN ELECTRICITY TRANSMISSION INTERCONNECTION VIA WHICH ENEE PROVIDES ENALUZ PART OF ITS POWER NEEDS. THE OLD CONTRACT FOR THIS SALES ARRANGEMENT WAS AS OF JULY 1978 BEING RENEGOTIATED TO PROVIDE FOR THE POSSIBILITY OF SALE OF EXCESS EL CAJON POWER TO NICARAGUA. HONDURAS AND GUATEMALA HAVE HELD DISCUSSIONS AIMED AT MOUNTING A FEASIBILITY STUDY FOR AN INTERCONNECTION.

C. PRE-ENGINEERING QUALIFICATION. PROJECT FEASIBILITY STUDY WAS CNGPLETED BY MOTOR COLUMBUS (SWISS) IN 1973 AND UPDATED IN DECEMBER 1977. JACOBS ASSOCIATES (US) WAS ENGAGED IN 1977 TO REVISE COST ESTIMATES AND CONSTRUCTION SCHEDULES ON BASIS OF BID LEVEL DESIGNS, AND ITS REPORT WAS DUE BY AUGUST 1978. ENEE CONTRACTED EBASCO SERVICE S

INC. (US) IN 1977 FOR OPTIMIZATION AND TARIFF STUDY. THIS LATTER STUDY REPORTEDLY CONFIRMED EL CAJON WOULD BE MOST ECONOMIC PROJECT FOR EXPANSION OF EXISTING ENEE - ENALUG INTERCONNECTION SYSTEM. FINAL DESIGNS AND PREPARATION OF BID DOCUMENTS COMPLETED BY MOTOR COLUMBUS AND ENEE. PRE-QUALIFICATION FOR CONTRACTORS ON CIVIL WORKS WAS OPENED MARCH 15, 1978, AND A LIST OF APPROVED FIRMS WILL BE PUBLISHED IN SEPTEMBER 1978. CONTRUCTION FIRMS DESIRING TO KNOW WHETHER THEY MADE THIS LIST OF PRE-QUALIFIED BIDDERS MAY COMMUNICATE DIRECTLY WITH ENEE AS FOLLOWS: (EMBASSY HAS ASKED FOR A COPY OF THE LIST AND WILL TRANSMIT TO USDOC/MEPD SOONEST): ING. ANGEL BOESCH, MGR., ENEE, APARTADO POSTAL 99, TEGUCIGALPA. IT IS ESTIMATED THAT BIDS UNCLASSIFIED

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ON CIVIL WORKS WILL BE INVITED DURING THE FIRST QUARTER OF 1979. SELECTION OF AN ENGINEERING SUPERVISORY FIRM WILL BE ACCOMPLISHED JOINTLY BY ENEE, IBRD AND IDB. JARAMILLO

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